

9:00 a.m.
January 23, 2001

MINUTES – REGULAR MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Ronda Cahill, Chair
Christine Yorozu, Vice Chair
Gerry Marsh, Secretary
Susan Brady, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Susan Harris, Assistant Director
Michael Smith, Chief Technology Officer
Nancy Krier, Asst. Attorney General
Steve Reinmuth, Asst. Attorney General
Ruthann Bryant, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Ronda Cahill at 9:00 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Minutes

Moved by Commissioner Marsh, seconded
by Commissioner Yorozu:

Motion 01-044

**The Commission adopts the minutes
of the regular meeting of October 24,
2000.**

The motion passed unanimously.

Citizen Comments/Concerns

No citizen comments were expressed.

Commissioner Comments

Commissioner Yorozu complimented Susan Harris on the format and information contained in her "Year in Review" report.

Commissioner Cahill thanked Phil Stutzman for assisting in brief enforcement hearings held on January 22, 2001.

Legislation

Ms. Rippie summarized legislation that may have an effect on the provisions of RCW 42.17. She also noted that staff has set up a system through LegLink to track bills as they move through the legislative process.

Ms. Rippie also commented that Senator McCaslin is requesting the Commission's support on SB 5188, amending RCW 42.17.095 by authorizing donation of surplus campaign funds to a public school, school district, or educational service district in addition to existing disposal options.

The Commission requested that Ms. Rippie testify on behalf of the Commission in support of SB 5188.

Implementation of JLARC Recommendations

Ms. Harris summarized the JLARC recommendations and reported on the steps staff has taken to implement each recommendation. She also noted that the Commission will be updated on a monthly basis.

Staff Reports

Chief Technology Officer

Michael Smith introduced Shad White, General Manager of FYI, Inc. for Westcoast operations, the vendor selected to upgrade and enhance the Commission's current Electronic Document Management System. Mr. White summarized the history of FYI Inc., and thanked the Commission for the opportunity to work with them.

Michael Smith reported that WEDS training classes are currently being held and the turnout has been very good. He also noted that a new button has been added to the home page of the website to take users directly to information concerning lobbyists.

Executive Director

Vicki Rippie reported that Karen Copeland and Susan Harris completed the annual reports for FY

1998, FY 1999 and FY 2000. She also requested approval for staff to file a CR101 to amend the mini and abbreviated thresholds. Currently the limit is \$500 for mini and \$2000 for abbreviated.

The Commission concurred with the request.

She also commented that the House State Government Committee is holding a work session on JLARC's audit of the Public Disclosure Commission.

Assistant Director

Susan Harris reported that it is now possible for jurisdictions to report online the names of their elected and/or appointed officials required to file the Statement of Financial Affairs. To date, 153 jurisdictions have used the new "online blue card" and that information is copied directly into the database without data entry having to key in the information.

She commented that Anne Springer resigned from her position as a Political Finance Specialist and Jim Kelly, who had been the scanning clerk for the agency, has moved into the vacant position.

Ms. Harris summarized her Year in Review report noting that one of the highlights of the year was the data query system.

Executive Session

The Commission went into executive session at 10:15 a.m. to discuss a personnel matter.

Public Session

The Commission returned to public session at 10:20 a.m.

Motion 01-045

Moved by Commissioner Yorozu, seconded by Commissioner Brady:

The Commission approves the performance evaluation and 2.5% merit increase for Phil Stutzman effective February 1, 2001.

The motion passed unanimously.

Balanced Scorecard Presentation

Rene Ewing from the Governor's Office presented information on The Balanced Scorecard a management tool adopted by the Governor's office as a way to help managers improve customer service and assist in developing a strategic plan and performance measures to better carry out an organization's mission.

Commissioner Yorozu requested that management staff begin work on a draft scorecard for the agency once the legislative session has ended, and present it to the Commission for implementation discussions.

Staff Report

Assistant Attorney General

Nancy Krier reported on the status of cases noting that the Attorney General's Office recently filed a lawsuit against WEA in Thurston County Superior Court. She also commented that the Attorney General's Office has filed suit against Sadie Charlene Cooney in Spokane County Superior Court.

Ms. Krier also updated the Commission on the retirement of Rich Heath and the possible reorganization of divisions within the Attorney General's Office.

Reporting Modifications

*John Powers, Mayor, City
of Spokane*

Commissioner Cahill recused herself from discussion and action on this request based upon her pending application to fill a vacant Spokane City Council position.

Phil Stutzman reported that Mr. Powers was granted a modification on April 25, 2000 under Kimura Protocol #2. A complaint was filed against Mr. Powers claiming he violated the reporting modification order. During the investigation of the complaint, staff discovered that the law firm named in the modification had become a limited partnership, and that Mr. Powers was not a 10%

owner nor was he an officer or director. The complaint was dismissed on that basis. Staff is requesting the Commission vacate the order since a reporting modification is no longer necessary.

Motion 01-046

Moved by Commissioner Brady, seconded by Commissioner Marsh:

The Commission vacates the Findings, Conclusions and Order # 2306 in the matter of Mr. John T. Powers.

Voting for: Commissioners Yorozu, Brady and Marsh

Not Voting: Commissioner Cahill

The motion passed.

*Arch Miller, Commissioner
Port of Vancouver*

Mr. Stutzman reported that Mr. Miller was granted a reporting modification in August of 2000. He also noted that at the time of the modification request there was a question about his daughter's Irrevocable Trust. Mr. Miller has provided a letter stating that the trust has been sealed by court order.

Nancy Krier commented that in order to get the information, the Commission would have to go to court in Clark County and request that the trust be opened. She advised against that and commented that such a request would most likely be denied. Ms. Krier suggested that number 3 under "Order" be removed and add the fact that the trust is sealed by court order in "Findings of Fact" number 6.

MOTION 01-047

Moved by Commissioner Brady, seconded by Commissioner Yorozu:

The Commission modifies Findings, Conclusions and Order #2313 in the matter of Arch Miller to eliminate item #3 under Order and to amend item #6 under Findings

**of Fact to reflect that the trust is sealed by
court order.**

The motion passed unanimously.

Enforcement Matters

Request for Reconsideration

Friends of the UW Environment
Case #00-013

Mr. Stutzman reported that a brief enforcement hearing was held November 2, 1998 in which the Friends of the UW Environment was found in violation of RCW 42.17.180 for failing to timely file the Lobbyist Employer Report (PDC Form L-3). A penalty of \$500 was assessed with \$250 suspended if no further violations occur for a period of two years.

In addition, a brief enforcement hearing was held August 18, 1999 in which the Friends of the UW Environment was again found in violation of RCW 42.17.180 for failing to timely file the Employer's Lobbying Expenses Report (PDC Form L-3). A penalty of \$500 was assessed and the suspended portion from the prior enforcement hearing was reinstated, resulting in a total penalty amount due of \$1000. Mr. Stutzman noted that \$100 was paid in August 1999 and this amount has been deducted from the \$1000 penalty total.

Estella Leopold, former Chair of the Friends of the UW Environment, was present and addressed the Commission stating that she has filed the missing reports, apologized for the lack of communication and requested leniency for the total amount of money due since it was a non-profit group comprised of volunteers.

Nancy Krier reported that under the APA these are final orders and the appeal periods have passed for both. She also questioned how the non-profit corporation could dissolve without paying all outstanding debts.

Motion 01-047

Moved by Commissioner Brady, seconded by
Commissioner Yorozu:

The Commission enters a new order in PDC case #99-013 and PDC case #00-013 and assesses a penalty of \$500 in each case with \$250 suspended in each case with \$100 previously paid to be credited leaving a balance due of \$400. A payment schedule will be arranged on the condition that if one payment is late the full amount becomes due immediately.

Voting against: Commissioners Cahill, Marsh, Yorozu and Brady

The motion failed.

No additional motions were made to reconsider this matter.

Commissioner Cahill advised Ms. Leopold to set up an acceptable payment schedule with staff or the two outstanding cases would be referred to the Attorney General's Office for collection.

Request for Review

*WA Association of Health
Underwriters, case #01-009*

Mr. Stutzman reported that a brief enforcement hearing was held August 28, 2000 in which the WA Association of Health Underwriters was found in violation of RCW 42.17.180 for failing to timely file the Employer's Lobbying Expenses Report. A penalty of \$350 was assessed.

Mr. Denny Eliason, a lobbyist employed by WA Association of Health Underwriters, was present and addressed the Commission stating that the presidency of this organization changes annually and as a result the mail was not forwarded to the new president. He added that the form was filed on January 19, 2001, immediately upon learning the form was missing.

MOTION 01-048

Moved by Commissioner Marsh, seconded by
Commissioner Brady:

**The Commission sustains the violation of
RCW 42.17.180 against WA Association of
Health Underwriters, case #01-009, and
amends the penalty to reflect \$350 with
\$200 suspended based on no further
violations of RCW 42.17 for two years and
the non-suspended portion of the penalty to
be paid within 30 days.**

The motion passed unanimously.

Hearing

Timothy Hicks, case #01-069

Mr. Stutzman reported that Mr. Hicks was scheduled for a brief enforcement hearing on October 23, 2000 for an alleged violation of RCW 42.17.240 for failing to file a Statement of Financial Affairs by April 17, 2000. Commissioner Cahill referred the case to the full Commission due to Mr. Hicks' compliance history.

Mr. Hicks was found in violation of RCW 42.17.040 for failure to file a Candidate Registration Statement in 1997 and assessed a penalty of \$100. The case was sent to the Attorney General's Office in 1999 for collection. A judgment was entered in the amount of \$355 on August 20, 1999 and remains unpaid.

In addition, an enforcement hearing was held December 2, 1999 in which the Commission found apparent violations of RCW 42.17.240 for failure to file the Statement of Financial Affairs due on or before April 15, 1998 and April 15, 1999 and referred the matter to the Attorney General's Office.

Mr. Stutzman also noted that staff has been in contact with the jurisdiction and that Mr. Hicks resigned his position effective January 22, 2001.

MOTION 01-049

Moved by Commissioner Brady, seconded by Commissioner Marsh:

The Commission finds a violation of RCW 42.17.240 in PDC case #01-069 against Timothy Hicks and assesses a penalty of \$1000 to be paid within 30 days from the date the order is signed.

The motion passed unanimously.

Request for Review

James Streifel, case #01-114

Mr. Stutzman reported that a brief enforcement was held on October 23, 2000 in which Mr. Streifel was found in violation of RCW 42.17.240 for failure to timely file the Statement of Financial Affairs. He was assessed a penalty of \$200.

Mr. Streifel was present and addressed the Commission and apologized for not filing on time. He has filed the missing form as well as the one due in April 2001. He noted that he had been on the school board for eight years and had no prior violations.

MOTION 01-050

Moved by Commissioner Brady, seconded by Commissioner Yorozu:

The Commission sustains the violation of RCW 42.17.240 in PDC case # 01-114 against James Streifel and assesses a penalty of \$200 with \$150 suspended pending no further violation of RCW 42.17 for two years.

The motion passed unanimously.

Request for Reconsideration

Allen Yanity, case #00-231

Mr. Stutzman reported that a brief enforcement hearing was held June 22, 2000 in which Mr. Yanity was found in violation of RCW 42.17.241 for failing to file the F1 Supplement to his Personal Financial Affairs Statement disclosing required

information about Fire District 16 Oversight Committee and Citizens Against Crime. He was assessed a penalty of \$50. Mr. Yanity was also found in violation of RCW 42.17.090 for failing to file a C3 report for the \$300 contribution deposited on June 1, 1999. He was assessed a penalty of \$50, but that penalty was suspended.

Mr. Stutzman also noted that Mr. Yanity had requested a review before the Commission, however no motion to review had been made.

Mr. Yanity was present and addressed the Commission stating that he offered to bring his records for staff to review but was refused. He added that the \$300 contribution was reported on his paperwork and he did not know why the PDC's papers did not reflect the contribution.

Motion 01-051

Moved by Commissioner Brady, seconded by Commissioner Yorozu:

The Commission vacates the order in PDC case #00-231, Allen Yanity.

The motion passed unanimously.

Requests for Review

Gary Abood, case #01-039

Mr. Stutzman reported that Mr. Abood has paid \$50, will pay the remaining amount by February 1, 2001, and requested that his request for review be cancelled.

Mark Bullock, case #01-048

Mr. Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Mr. Bullock was found to have violated RCW 42.17.240 for failing to timely file the Statement of Financial Affairs and was assessed a penalty of \$300. The form was filed December 27, 2000.

Mr. Stutzman noted that he had a telephone conversation with Mr. Bullock in which Mr. Bullock stated that he filed the report in March 2000. Staff was unable to locate the form.

Motion 01-052

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

The Commission sustains the violation of RCW 42.17.240 against Mr. Bullock and reduces the penalty assessed to \$50.

The motion passed unanimously.

Nell Cole, case #01-051

Mr. Stutzman reported that Ms. Cole is in the hospital and requested that her request for review be continued until a future meeting.

Laura Emerson, case 01-016

Mr. Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Ms. Emerson was found in violation of RCW 42.17.050 for failure to timely file a Candidate Registration and was assessed a penalty of \$100. The form was filed September 8, 2000.

Ms. Emerson provided a letter which stated that she was told that she did not have to file a Candidate Registration by the Vancouver Auditor's Office.

Motion 01-053

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

The Commission vacates the order in PDC case #01-016, Laura Emerson.

The motion passed unanimously.

James Eychaner, case 01-057

Mr. Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Mr. Eychaner was found in violation of RCW 42.17.240 for failing to timely file a Statement of Financial Affairs and was assessed a penalty of \$200.

Mr. Eychaner provided a letter which stated that his understanding was that only elected officials needed to file the Statement of Financial Affairs.

Motion 01-054

Moved by Commissioner Cahill, seconded by Commissioner Brady:

The Commission vacates the order in PDC case #01-057, James Eychaner.

The motion passed unanimously.

Dennis Fournier, case #01-060

Mr. Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Mr. Fournier was found to have violated RCW 42.17.240 for failing to timely file a Statement of Financial Affairs.

Mr. Fournier provided a letter which stated that he filed his form before the April 17, 2000 deadline and had no knowledge that the form was not received since he has resigned his position to move to Michigan to care for his elderly mother.

Motion 01-055

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

The Commission vacates the order in PDC case #01-060, Dennis Fournier.

The motion passed unanimously.

John Bastyr University, case #01-005

Mr. Stutzman reported that a brief enforcement hearing was held August 28, 2000 in which John Bastyr University was found in violation of RCW 42.17.180 for failing to timely file an Employer's Lobbying Expenses Report and was assessed a penalty of \$250.

A letter was provided by Mr. Sheldon Haber, Vice President for Finance and Administration, which stated that the university's president retired early in the year which resulted in the form being overlooked.

There was no motion to review this matter.

Karen Lehman, case #01-080

Mr. Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Ms. Lehman was found to have violated RCW 42.17.240 for failing to timely file a Statement of Financial Affairs and was assessed a penalty of \$200.

Mr. Stutzman noted that Ms. Lehman filed an F1 report in conjunction with her candidacy in August, 1999, and it is not unusual for newly elected officials to mistakenly neglect to file the form the following April.

Motion 01-056

Moved by Commissioner Brady, seconded by Commissioner Marsh:

The Commission sustains the violation of RCW 42.17.240 against Ms. Lehman and amends the penalty assessed to \$200 with \$150 suspended.

The motion passed unanimously.

Commissioner Cahill noted that if a payment schedule is necessary for Ms. Lehman, two \$25 payments would be acceptable.

James Sayce, case #01-107

Mr. Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Mr. Sayce was found to have violated RCW 42.17.240 for failing to timely file a Statement of Financial Affairs and was assessed a penalty of \$300.

Mr. Sayce provided a letter to the Commission which stated that he filed his Statement of Financial Affairs in December 1999 and thought that it would be accepted as the April 17, 2000 filing.

Motion 01-057

Moved by Commissioner Yorozu, seconded by Commissioner Brady:

The Commission sustains the violation of RCW 42.17.240 against Mr. Sayce in PDC case #01-107 and amends the penalty

**assessed to \$300 with \$200 suspended
pending no future violations of RCW 42.17
for four years.**

The motion passed unanimously.

Vincent Tomaso, case #01-027

Mr. Stutzman reported that Mr. Tomaso is in the hospital and requested that his request for review be continued to a future meeting.

Robert Winters, case 00-195

Mr. Stutzman reported that a brief enforcement hearing was held August 28, 2000 in which Mr. Winters was found to have violated RCW 42.17.040 for failing to timely file a Candidate Registration, RCW 42.17.080 for failure to timely disclose a location where campaign records would be available for public inspection during the eight days before the primary election, RCW 42.17.240 for failure to timely file the Statement of Financial Affairs and RCW 42.17.241 for failing to provide complete and accurate information on the Statement of Financial Affairs. He was assessed a penalty of \$500.

Mr. Winters was not present and offered no written explanation for the request.

There was no motion to review this matter.

Executive Session

The Commission went into executive session at 3:45 p.m. to discuss pending and potential litigation with legal counsel.

Public Session/Adjournment

The Commission returned to public session at 3:55 p.m. and Commissioner Cahill adjourned the meeting. The next meeting is scheduled for Tuesday, February 27, 2001.

Approved by the Commission 2/27/01